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Attorneys for Defendants

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

**NATIONAL FAIR HOUSING
ALLIANCE, INC., a Virginia
non-profit corporation; and
FAIR HOUSING COUNCIL OF
CENTRAL CALIFORNIA, a
California non-profit corporation,**

Plaintiffs,

vs.

**AMERICAN CLASSIFIEDS LLC,
a Nevada limited liability company;
WANT ADS of VISALIA, INC.,
a California corporation dba
AMERICAN CLASSIFIEDS; and
THRIFTY NICKEL ADS LLC,
a Nevada limited liability company,**

Defendants.

**Case No. 1:09-cv-01189-AWI-MJS
CONSENT DECREE**

This action was brought by plaintiffs National Fair Housing Alliance (“NFHA”) and the Fair Housing Council of Central California (“FHCCC”) against defendants American Classifieds LLC, Thrifty Nickel Ads LLC, and Want Ads of

1 Visalia, Inc. alleging that defendants violated the federal Fair Housing Act, 42
2 U.S.C. §§ 3601, *et seq.*, and California Fair Employment and Housing Act,
3 Government Code §§ 12955, *et seq.* by publishing advertisements stating a
4 discriminatory preference. Defendants have denied all material allegations in the
5 complaint.

6 The parties have agreed that in order to avoid protracted and costly
7 litigation, the controversy should be resolved without a trial or adjudication on the
8 merits and therefore have consented to entry of this decree and order. By entering
9 into this consent decree and final order (“Decree”), defendants make no admission
10 of liability or wrongdoing in connection with the allegations and claims made by
11 plaintiffs.

12 It is hereby ordered, adjudged and decreed that:

13 **Monetary Payments**

14 1. Defendants shall make a total monetary payment in the amount of one
15 hundred sixty thousand dollars (\$160,000.00). The payments shall be made in
16 three installments as follows: The first installment shall be in the amount of sixty
17 thousand dollars (\$60,000.00) and is due within 30 days of the date of lodging of
18 this proposed Decree. The second installment shall be in the amount of sixty
19 thousand dollars (\$60,000.00) and is due within 60 days of the date of lodging of
20 this proposed Decree. The third installment shall be in the amount of forty
21 thousand dollars (\$40,000.00) and is due within 90 days of the date of lodging of
22 this proposed Decree. Each payment shall be made in the form of a check or
23 checks made payable to the Attorney-Client Trust Account of Brancart &
24 Brancart, and delivered to plaintiffs’ counsel, Brancart & Brancart, 8205
25 Pescadero Road, Loma Mar, CA 94021 Following receipt of all monetary
26 payment described above, plaintiffs’ counsel shall file the executed Joint
27 Application and Stipulation Re Dismissal, subject to the terms of this Decree.
28

Mutual Release

2. NFHA, FHCCC and defendants shall execute a mutual release indicating that this consent decree and final order constitutes a full and final settlement of any and all claims that they have related to this action. That mutual release shall include a waiver of Civil Code section 1542, and include all known and unknown claims.

Equitable Terms

3. Defendant American Classifieds LLC and Thrifty Nickel Ads LLC, and their owners, officers, or managers shall comply with the following terms for the duration of this Decree:

a. General: American Classifieds LLC and Thrifty Nickel LLC shall comply with all federal laws prohibiting discrimination in the advertisement of housing including, but not limited to, the Fair Housing Act, and the federal regulations implementing the Fair Housing Act located at 24 C.F.R. section 100 *et seq.*

b. Websites. The websites, www.americanclassified.com and www.tnol.com, are owned and operated by Thrifty Nickel Ads LLC. The terms in this section apply to each of those websites and to any successor website installed by defendants replacing them.

(1) Thrifty Nickel Ads LLC shall revise the Member Agreement for americanclassifieds.com and tnol.com by adding the following additional language under "Information":

Housing Discrimination is Illegal. You acknowledge that no advertisement for rental or sale of residential property (a house, apartment, mobile home, boarding house, etc.) that you list on this website may state a discriminatory preference based on race, color, religion, sex, handicap or disability, familial status, national

1 origin (and in certain states on the basis of marital status,
2 source of income, age or sexual orientation), or an
3 intention to make any such preference, limitation, or
4 discrimination. Examples of discriminatory
5 advertisements including “No Kids,” “Adults Only,”
6 “Single Person,” “Couple Only,” “Perfect for Older
7 Adult.” A statement that the housing is limited to
8 seniors or persons with disabilities is allowed if the
9 property is HUD-qualified housing for the elderly or
10 persons with disabilities, or is 55+ or 62+ Housing for
11 Older Persons.

- 12 (2) Thrifty Nickel Ads LLC shall revise the Ad Placement Policies for
13 AmericanClassifieds.com and tno1.com by adding the following
14 additional language under “Free and Paid Ads”:

15 “May not state a discriminatory preference based on
16 race, color, religion, sex, handicap or disability, familial
17 status, national origin, (and in certain states on the basis
18 of marital status, source of income, age or sexual
19 orientation), or an intention to make any such preference,
20 limitation, or discrimination, in any advertisement
21 concerning the sale or rental of a dwelling.”

- 22 (3) If Thrifty Nickel Ads LLC allows users to directly place
23 advertisements on AmericanClassifieds.com or tno1.com, then any
24 user directly placing an advertisement under the category “Real
25 Estate” shall be required, prior to placing that advertisement, to
26 acknowledge that he or she understands that

27 “Housing Discrimination is Illegal. Any ad found to
28 state a discriminatory preference based on race, color,

1 religion, sex, handicap or disability, familial status,
2 national origin, (and in certain states on the basis of
3 marital status, source of income, age or sexual
4 orientation) will be removed immediately from this
5 website.”

- 6 (4) Thrifty Nickel Ads LLC shall post a header that would be clearly
7 visible to any user browsing the “Real Estate” category on
8 AmericanClassifieds.com or tnl.com that states

9 “The federal Fair Housing Act prohibits discrimination
10 in the rental or sale of housing to any person because of
11 race, color, religion, sex, handicap or disability, familial
12 status or national origin. Discriminatory statements in
13 housing listings also are illegal,” or words to that effect.

14 The header should serve as a link to the website’s fair housing page,
15 as described below in paragraph (5).

- 16 (5) Thrifty Nickel Ads LLC shall add a page to the
17 americanclassifieds.com and tnl.com websites, easily found through
18 a link at the bottom of the homepage, that includes a description of
19 the federal Fair Housing Act and links to the websites of HUD and
20 NFHA. (A fair housing page similar to that published by Craigslist
21 shall constitute compliance with this provision.)

- 22 (6) Thrifty Nickel Ads LLC shall make best efforts to remove
23 discriminatory housing advertisements from americanclassifieds.com
24 and tnl.com. For purposes of this provision, the good faith
25 implementation of a screening or filter mechanism calculated to
26 identifying discriminatory housing advertisements for purpose of
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1 removal shall constitute best efforts.¹

2 (7) In the classified sections of americanclassifieds.com and tnol.com,
3 Thrifty Nickel Ads LLC shall include contact information for users to
4 report to Thrifty Nickel Ads LLC any advertisement for dwellings the
5 users believe are in violation of the Fair Housing Act. Thrifty Nickel
6 Ads LLC shall review that advertisement in a timely manner and
7 make best efforts to cease publication if they have a good faith belief
8 that the reported advertisement indicates any preference, limitation, or
9 discrimination because of race, color, religion, sex, disability, family
10 status, or national origin in violation of the Fair Housing Act.

11 **c. Royalty and Employment Agreements.** American Classifieds LLC
12 shall amend or addend to all existing Licensing, Royalty and Employment
13 Agreements with its Publishers (a current list of which is attached as Exhibit
14 1 hereto) and Licensing, Royalty and Employment Agreements with all
15 future Publishers to require that each Publisher establish a protocol for
16 accepting and publishing advertisements for sale or rental of a dwelling so
17 as to ensure compliance with the federal Fair Housing Act. That protocol
18 (the “Publishing Protocol”) shall include:

19 (1) That the Publisher publish the following notice immediately under the
20 column header regarding dwellings for rent in the classified
21 advertisement section of each edition published stating,

22 “The federal Fair Housing Act prohibits discrimination
23 in the rental or sale of housing to any person because of
24

25 ¹For purposes of this Decree, “discriminatory advertisement” means any
26 housing advertisement that indicates any preference, limitation, or discrimination
27 because of race, color, religion, sex, disability, family status, or national origin in
28 violation of the Fair Housing Act.

1 race, color, religion, sex, handicap or disability, familial
2 status or national origin. Discriminatory statements in
3 housing listings also are illegal,” or words to that effect.
4 The notice shall be printed in type which is a similar size as the
5 column header for the column.

- 6 (2) That the Publisher’s staff shall read the following notice, or words to
7 the same effect, to any person who contacts the Publisher in person or
8 by telephone seeking to place an advertisement for the rental or sale
9 of housing before acceptance of the advertisement for publication:
10 “Before I take your ad, I need to advise you of the following: “It is
11 illegal to discriminate in the rental or sale of housing because of race,
12 color, religion, sex, familial status, national origin, or handicap or
13 disability.”

14 This statement must be read to any person seeking for the first time to
15 place a classified advertisement for the rental or sale of housing with
16 the Publisher before the advertisement is accepted for publication. As
17 to regular customers, who have already placed advertisements for the
18 rental or sale of housing and have been added to the Publisher’s
19 customer database, it will not be necessary to reread this advisement
20 once that customer has been so advised.

- 21 (3) That if the Publisher accepts advertisement placements by email or
22 fax, then the Publisher shall provide the user with a statement, by fax
23 or email, stating the following or words to the same effect:

24 “Before we process your ad, we need to advise you of the
25 following: It is illegal to discriminate in the rental or
26 sale of housing because of race, color, religion, sex,
27 familial status, national origin, or handicap or disability.”

28 As to regular customers, who have already placed advertisements for

1 the rental or sale of housing with the Publisher and have been added
2 to the Publisher's customer database, it will not be necessary to
3 retransmit this advisement once that customer has been so advised.

4 (4) That the Publisher provide fair housing training to its staff involved
5 in the placement of real estate classified advertisement regarding
6 compliance with the requirements of the Fair Housing Act and the fair
7 housing laws of the state in which the Publisher is located, including
8 examples of advertisements that may be construed to state an
9 unlawful discriminatory preference (e.g., "couple preferred," or "one
10 person only"), such training to be at the Publisher's expense and
11 provided by an organization that has qualified for HUD funding
12 under the Fair Housing Initiatives Program (FHIP), and provided to
13 each staff person involved in the placement of real estate classified
14 advertisements within 90 days of the entry of this Decree, or within
15 30 days, or as soon as practicable, of that staff person's date of hire or
16 assumption of duties involving placement of real estate classified
17 advertisements.

18 (5) That the Publisher shall make best efforts to review all advertisements
19 in the "Real Estate" category prior to their publication and
20 transmittal to American Classifieds or Thrifty Nickel Ads for
21 publication on its websites and make best efforts to identify and
22 remove any advertisements that state an unlawful discriminatory
23 preference.

24 (6) That the Publisher, on a quarterly basis, run a quarter page fair
25 housing advertisement in its print editions in the real estate section,
26 chosen from samples provided by NFHA. (Those advertisements
27 were developed by NFHA under its grant with HUD, have been
28 approved for publication by HUD, and are widely published in other

1 publications.)

2 (7) That the Publisher shall advise American Classifieds LLC in writing
3 within 30 days of the Publisher's receipt of any judicial or
4 administrative complaint filed against the Publisher for allegedly
5 printing or publishing advertisements stating a discriminatory
6 preference in violation of the federal Fair Housing Act or applicable
7 state law.

8 American Classified LLC shall further amend or addend to the Licensing,
9 Royalty and Employment Agreements, both existing and future, to provide
10 that a Publisher's failure to establish and follow the terms of the Publishing
11 Protocol may be grounds for termination of the Licensing, Royalty and
12 Employment Agreement.

13 **d. Breach.** It shall be a material breach of this Decree if a Publisher
14 fails to run the required quarterly fair housing advertisements, or fails to
15 implement the Publishing Protocol pursuant to the Royalty and Employment
16 Agreement, and Americans Classifieds LLC fails to enforce the Publishing
17 Protocol through its Licensing, Royalty and Employment agreement with
18 that Publisher, subject to the notice provisions of paragraph 4 below and the
19 opportunity to cure.

20 **4. Enforcement.** If NFHA determines that an American Classifieds
21 LLC Publisher has printed or published an advertisement stating a discriminatory
22 preference or limitation in violation of the federal Fair Housing Act
23 ("discriminatory advertisement") or has otherwise failed to follow the Publishing
24 Protocol, it shall give American Classifieds notice of that alleged violation.
25 Pursuant to the terms of its Royalty and Employment Agreement, American
26 Classifieds shall have 30 days within which to cure the alleged violation as
27 follows:

28 a. If it is the first discriminatory advertisement run by that Publisher,

1 then the advertisement must be removed as soon as practicable from the
2 americanclassifieds.com and tnol.com websites. If the Publisher has failed
3 to implement or follow the Publishing Protocol, American Classifieds shall
4 notify the Publisher in writing, reminding them of their obligation to do so
5 under the its Licensing, Royalty and Employment Agreement and that
6 continued failure to follow the protocol could result in termination of that
7 agreement. American Classifieds shall provide NFHA with proof of this
8 cure within 30 days of being notified by NFHA of the alleged
9 discriminatory advertisement. The Publisher will also be required to
10 comply with the requirements of section 4(f) below.

11 b. If there is a subsequent violation, resulting in two or more additional
12 discriminatory housing advertisements run by the Publisher within a six
13 month period, then American Classified shall take the steps outlined above
14 under 4(a) and below under 4(f) and shall notify the Publisher that its
15 privileges posting and receiving housing advertisements with
16 americanclassifieds.com or tnol.com may be suspended for one week for
17 subsequent violations. American Classifieds shall provide NFHA with
18 proof of this cure within 30 days of being notified by NFHA of the alleged
19 discriminatory advertisement.

20 c. If there is a further subsequent violation, resulting in two or more
21 additional discriminatory advertisements run by the Publisher within the
22 three month period, then American Classifieds shall take the steps outlined
23 above under 4(a) and below under 4(f) and that Publisher's privileges with
24 americanclassifieds.com and tnol.com shall be suspended for one week and
25 no advertisements from that Publisher may be placed on the website during
26 that time. American Classifieds shall provide NFHA with proof of this cure
27 within 30 days of being notified by NFHA of the alleged discriminatory
28 advertisement.

1 d. If there is a still further subsequent violation, resulting in two or more
2 discriminatory advertisements run by the Publisher within the next three
3 month period, then American Classified shall take the steps outlined above
4 under 4(a) and under 4(f) below and that Publisher's privileges with
5 americanclassifieds.com and tno1.com shall be suspended for two weeks and
6 no advertisements from that Publisher may be placed on the website during
7 that time. American Classifieds shall provide NFHA with proof of this cure
8 within 30 days of being notified by NFHA of the alleged discriminatory
9 advertisement.

10 e. If there is a still further subsequent violation, resulting in one or more
11 additional discriminatory advertisements run by the Publisher within the
12 next three month period, then that Publisher's privileges with
13 americanclassifieds.com and tno1.com shall be suspended for another two
14 weeks. American Classifieds shall provide NFHA with proof of this cure
15 within 30 days of being notified by NFHA of the alleged discriminatory
16 advertisement.

17 f. Whenever defendants observe or obtain notice of a discriminatory
18 advertisement published by a Publisher, then American Classified, pursuant
19 to its Licensing, Royalty and Employment Agreement with that Publisher,
20 shall require the Publisher to remove the advertisement and run for at least
21 one weekly publication a fair housing advertisement, similar in size and
22 length as the discriminatory advertisement. For purposes of compliance
23 with this provision, fair housing advertisement that state, "Fair Housing is
24 the Law. Learn more at www.tno1.com/fair_housing," or words to that
25 effect will be deemed compliance.

26 **5. Reporting.** American Classified and Thrifty Nickel Ads LLC shall
27 report, as completed but at least annually, their completion and compliance with
28 each of the provisions of this Decree, in the form of a letter, addressed to NFHA,

1 1101 Vermont Ave., NW, Suite 710, Washington, DC 20005, Attn: Anne
2 Houghtaling. Copies of these reports may be made available to the Housing and
3 Civil Enforcement Section, Civil Rights Division, United States Department of
4 Justice, upon request by the United States or any party to this Decree.

5 **6. Enforcement.** The parties further agree that they will exhaust good
6 faith mediation attempts before requesting the assistance of the Court in resolving
7 any disputes that arise under the terms of this Decree.

8 **7. Duration.** This Decree shall be in effect for a period of three years
9 from the date of entry and the Court shall retain jurisdiction for purposes of
10 enforcement. This Decree will terminate at the end of the three-year period.

11
12 APPROVED as to content and form:

13
14 BRANCART & BRANCART

15 /s/ Christopher Brancart

16 Christopher Brancart

17 cbrancart@brancart.com

18 Attorneys for Plaintiffs

19
20
21 LAW OFFICES OF JAMES HOLLAND

22 /s/ James C. Holland

23 James C. Holland

24 james@jchollandlaw.com

25 Attorney for Defendants

Exhibit 1: "Publishers"

Alabama

Birmingham, AL - American Classifieds

Dothan, AL - American Classifieds

Huntsville, AL - American Classifieds

Mobile, AL - American Classifieds

California

Visalia, CA - American Classifieds

Colorado

Colorado Springs, CO - American Classifieds

Fort Collins, CO - Thrifty Nickel

Pueblo, CO - American Classifieds

Florida

Fort Walton Beach, FL - American Classifieds

Merritt Island, FL - American Classifieds

Panama City, FL - American Classifieds

Pensacola, FL - American Classifieds

Tallahassee, FL - American Classifieds

Georgia

Atlanta, GA - American Classifieds

Columbus, GA - American Classifieds

Valdosta, GA - American Classifieds

Iowa

Davenport, IA - American Classifieds

Idaho

Boise, ID - American Classifieds

Idaho Falls/Pocatello, ID - American Classifieds

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Twin Falls, ID - American Classifieds

Illinois

Champaign, IL - American Classifieds

Peoria, IL - American Classifieds

Indiana

Evansville, IN - American Classifieds

Indianapolis, IN - American Classifieds

Kentucky

Owensboro, KY - American Classifieds

Louisiana

Alexandria, LA - American Classifieds

Monroe, LA - American Classifieds

Shreveport, LA - American Classifieds

Kansas

Kansas City, KS - American Classifieds

Missouri

Kansas City, MO - American Classifieds

Saint Joseph, MO - American Classifieds

Springfield, MO - American Classifieds

Saint Louis, MO - American Classifieds

North Carolina

Greensboro, NC - American Classifieds

Nebraska

Lincoln, NE - American Classifieds

Omaha, NE - American Classifieds

New Mexico

Clovis, NM - Thrifty Nickel

Roswell, NM - Thrifty Nickel

1 Farmington, NM - American Classifieds
2 Hobbs, NM - Thrifty Nickel
3 Alamogordo, NM - American Classifieds
4 Las Cruces, NM - American Classifieds
5 Santa Fe, NM - Thrifty Nickel
6 *Oklahoma*
7 Lawton, OK - American Classifieds
8 Tulsa, OK - American Classifieds
9 *Tennessee*
10 Knoxville, TN - American Classifieds
11 *Texas*
12 Abilene, TX - American Classifieds
13 Amarillo, TX - American Classifieds
14 Beaumont, TX - American Classifieds
15 Bryan, TX - American Classifieds
16 Corpus Christi, TX - American Classifieds
17 Arlington, TX - American Classifieds
18 Denton, TX - American Classifieds
19 Fort Worth, TX - American Classifieds
20 Longview, TX - American Classifieds
21 Lubbock, TX - Thrifty Nickel
22 Odessa, TX - Thrifty Nickel
23 Paris, TX - American Classifieds
24 San Angelo, TX - American Classifieds
25 San Antonio, TX - American Classifieds
26 Temple-Killeen, TX - American Classifieds
27 Texarkana, TX - American Classifieds
28 Tyler, TX - American Classifieds

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Victoria, TX - American Classifieds
Waco, TX - American Classifieds
Wichita Falls, TX - American Classifieds
Utah
Orem, UT - American Classifieds

ORDER

IT IS SO ORDERED.

Dated: February 22, 2011


CHIEF UNITED STATES DISTRICT JUDGE